

The rise of big business by glenn porter

[Business](#)



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A comparison shows that businesses that were established before 1860 were small family-run businesses, had limited fixed costs, greater expenses, and the consumer area was limited. Productivity was also less and the reputation of the businesses depended mainly upon the status of the people involved. The rise of big businesses in the late nineteenth century did not follow the older customs. The competition was less as these big corporations required gigantic capital and greater fixed costs. The operation area was large and the productivity was huge.

The book further reveals how the big corporations looked like and to what extent they spread. Railroads, telegraph system, and telephone system were some of the first such corporations that took their start in the late nineteenth century and gained importance in the big business industry because of the fact that no business could survive without an effective transport system, a reliable mail system, and quick communication. The development of these businesses gave birth to a series of other businesses that grew either by vertical growth or horizontal. In vertical growth, the corporations would spread their businesses back to where they obtained raw materials and forwards where they would supply their products. Thus they gained more control over their supply and distribution. In horizontal growth, all the partners and firm owners would combine and collectively work for the accomplishment of their business's objectives. Corporations worked with each other vertically and horizontally and spread worldwide. The early nineteenth century saw a total transformation of the business structure. This change brought with it many hazards and scholars started believing that American society will convert from an open-minded society into a modern but unhappier civilization. The chances of an American businessman being

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his own boss were believed to be getting reduced with the evolution of modern corporations.

However, according to Porter, Americans got used to the new business culture. They saw a huge growth in the economic infrastructure and an improvement in the variety and quality of products. The living standard had improved consequently. The government had a new responsibility to guard the private business sector. In short, the book explains the economic changes and the transformation of the business corporations during the period of 1860 to 1920.